

## **EXHIBIT 12**



15 West 8th Street  
Suite C  
TRACY CA 95376

## Subcontract Agreement

P.O. #: 176016  
JOB NO#: 17-60  
DATE: 01/11/2018  
AMOUNT: 59,646.00  
TERMS: Progress payments as disbursed by owner.

SUBCONTRACTOR:  
Hamanaka Painting Co., Inc  
PO Box 6413  
EUREKA CA 95502

JOB NAME: PG&E Facilities Asset Upgrades North  
JOB ADDRESS: Ukiah SC - Warehouse Office Window  
Ukiah CA

I/WE, Hamanaka Painting Co., Inc HEREIN CALLED SUBCONTRACTOR, PROPOSE TO FURNISH ALL LABOR, MATERIAL, AND SERVICES TO COMPLETE WORK AS DESCRIBED BELOW FOR THE SUM OF NOT TO EXCEED \$59,646.00

Phase	Cost Code	Change Order	Description	Amount
09	900	16	Painting as per attached proposal dated 10/04/2017.	
Amount This Item:				59,646.00

Price includes all notifications.

Total: 59,646.00

OWNER: Carl Gowan

### SPECIAL INSTRUCTIONS:

THIS CONTRACT IS SUBJECT TO AND INCORPORATES ALL OF TERMS AND CONDITIONS ATTACHED, WHICH TERMS AND CONDITIONS HAVE BEEN READ BY THE UNDERSIGNED SUBCONTRACTOR, ALL TAXES, FREIGHT, LICENSES, AND PERMITS ARE INCLUDED IN THE ABOVE AMOUNT. ALL BILLINGS MUST INCLUDE PURCHASE ORDER OR CONTRACT NUMBER.

### Items Needed

1. ISN Company Number 400-240062  
You will not be able to start work without providing ISN Number.
2. Please provide current Worker's Comp and General Liability Insurance Certificate.
3. Certified Payroll Required.
4. Please submit current city or county business license where work is being performed.
5. Appropriate work attire & PPE: Work Boots, Pants, 4" Sleeve Shirt, Safety Vest, Hard Hat, Safety Glasses.
6. Please provide our project number on all correspondences.

SUBCONTRACTOR - SIGN AND RETURN DUPLICATE COPY IMMEDIATELY

1/24/18  
DATE SUBMITTED

707 444-3340  
PHONE

707 498-3776  
PHONE

NAME HAMANAKA Painting Co., Inc

ADDRESS P.O. Box

CITY Eureka, Ca 95502

This contract is subject to acceptance within 30 days and accepted by Gowan Construction.

BY: [Signature]

02/26/18  
DATE

Gowan Construction  
License #006592 - C-104 B

15 West 8th Street  
Suite C  
TRACY CA 95376

## Subcontract Agreement

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AMOUNT: [REDACTED]  
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EUREKA CA 95502

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BY: \_\_\_\_\_

SUBCONTRACTOR - SIGN AND RETURN DUPLICATE COPY IMMEDIATELY

DATE SUBMITTED 1/24/18

PHONE 707 444-3340

PHONE 707 498-3776

NAME HAMANAKA Painting Co., Inc

ADDRESS P.O. Box

CITY Eureka, Ca 95502

## GENERAL CONDITIONS OF SUBCONTRACT AGREEMENT

1. SUBCONTRACT WORK. Subcontractor agrees to perform in a good workman like manner, and to furnish all labor, materials ( all materials shall be new unless otherwise specified by Contractor ) supplies equipment, services, machinery, tools and other facilities of every kind and description required for the prompt and efficient execution of the following work in connection with the project. Subcontractor agrees for the consideration set forth in (2. Subcontract Price) to do the work generally described. Owner to provide temporary power, reference lines and grades, reasonable site access for materials and equipment, power and toilet. All work to conform to all plans and specifications.

2. SUBCONTRACT PRICE. Contractor shall pay Subcontractor for the work to be done under this agreement, subject to additions and deductions for changes as may be agreed upon in writing signed by both Contractor and Subcontractor, and to make payments on account thereof in accordance with the General Conditions, made a part hereof, the following price includes all applicable sales taxes. Subcontract Price See "Subcontract Agreement".

3. ADDITIONS AND CHANGES. The Contractor may at any time issue a written order to Subcontractor making changes in the work. Subcontractor shall promptly and in any event within forty -eight hours (48) hours after receipt of a particular change order, notify the Contractor in writing if Subcontractor claims additional time for performance by reason of increases in quantity or revisions in character of work, or if such change order reduces the contract amount by reason of either decreases or deductions, in quantity or revisions in character of work. In either event the change in the subcontract price or time of performance shall be agreed upon in writing BEFORE the work covered by the change order commences. Where the additional compensation to Subcontractor is less than ONE THOUSAND DOLLARS (\$ 1,000.00) and speed in obtaining approval is necessary an order signed by an authorized agent of Contractor as noted in Paragraph 48 below supplied to the subcontractor's field personnel shall be sufficient authorization for Subcontractor to immediately commence that work requested which required a change order. Contractor shall send the original change order for normal acceptance to the Subcontractor's main office in the above case where a copy is used to initiate work in the field. However, no payment shall be made for extra or change work where the additional compensation requested by Subcontractor is ONE THOUSAND DOLLARS (\$1,000.00) or more unless written authorization therefore is obtained by an authorized agent of Contractor as noted in Paragraph 48 below and no other person whether owner, architect or superintendent is so authorized. Contractor has the right to make change of its duly authorized representative by notifying Subcontractor in writing. All written authorization for additions, changes or modifications shall be attached to and made a part of this Subcontract. All changes, additions or modifications shall refer to a particular section or sections of this Subcontract wherein this Subcontract is to be changed, added to or modified and such addition change or modification shall be considered to affect only the specific section or sections therein referred to. No addition change or modification made as herein provided shall void this Subcontract. All terms of this Subcontract shall apply to additions, modifications or omissions made pursuant to this paragraph, just as though the work had been required by the original plans and specifications.

If the parties are unable to arrive at an agreement as to the change in the Subcontract price or time resulting from the change order or work, Subcontractor shall nevertheless proceed with the change order and either party may then demand that the question of the change in the subcontract price or subcontract time be submitted to arbitration. The demand shall be in writing and shall be served upon the other party and shall specify an Arbitrator chosen by the party making the demand. Within five (5) days after the receipt of such notice, the party receiving the demand shall name a person as Arbitrator and give written notice of such nomination to the other party. The two Arbitrators nominated as above provided, shall agree upon a third disinterested Arbitrator within ten (10) days after the nomination of the second Arbitrator, and if they do not agree a third disinterested Arbitrator shall be appointed by the President of San Joaquin County Bar Association. The decision of any two Arbitrators shall be binding and precedent to any right of legal action. In no case shall submission of matter to arbitration be cause for delay or discontinuance of any part of the work. Each party shall bear the expense of its own Arbitrator and Expense of the third Arbitrator and other costs of arbitration shall be divided equally between the parties.

4. VERBAL ORDERS. No changes or orders of any kind including but not limited to changes in plans, specifications, scope of work, materials, compensation, etc., shall be made verbally by either Contractor or Contractor's representative. Any change order to this Subcontract shall be authorized in writing by an authorized agent or Contractor as noted in Paragraph 48 below.

5. WORK SCHEDULE. Subcontractor shall commence the work covered by this subcontract immediately upon notification from contractor. Subcontractor shall do the work in an expedient and rapid manner as possible using usual and ordinary methods of construction and complete the work as soon after commencing the same as is customary in the particular line of work. Notwithstanding the foregoing, from commencement of the work, unless notified to the contrary, Subcontractor will be required to continue work until complete. Should contractor's work schedule be changed, Subcontractor will proceed in strict accordance with Contractor's directions. Subcontractor will cooperate with related work and will not interfere in any manner with the work of contractor or other subcontractors. Subcontractor shall provide such additional shifts or overtime as Contractor may require, should Contractor deem such additional shifts or overtime necessary to meet the work schedule. In the event contractor requires overtime



work by Subcontractor, the requirement shall be in writing. The increased cost to Subcontractor of such required overtime work shall be added to the contract price herein. There shall be no other overtime work. Overtime work not required and approved in writing by the duly authorized representative(s) named in Paragraph 48 shall be provided at the sole cost and expense of Subcontractor. Nothing in this paragraph shall relieve Subcontractor of this responsibility to watch the progress of the project and to prefabricate and prepare any material requiring such treatment, regardless of any predetermined schedule.

6. CONSTRUCTION LOANS. The Subcontract is subject to, and contingent upon the obtaining of construction loans from time to time. If construction loans are not for any reason obtained and recorded for this project from time to time as required, contractor may terminate this Subcontract or at its option, may designate which portion of the work covered by this Subcontract shall be performed by Subcontractor. In the event of such termination in whole or in part, contractor shall incur no obligation to Subcontractor other than to make payment for work performed prior to such termination.

7. PAYMENT SCHEDULE. On or before the first (25th) day of each month for work completed by the end of said month, subcontractor shall submit to the Contractor reports in form acceptable to Contractor of work completed during the period from the date of last previous report. So long as Subcontractor is not in default under this Subcontract, payment for work completed at the unit price or prices specified herein, shall be made within thirty (30) day of invoice, contractor shall not be obligated to make progress payments to Subcontractor until release of funds has been received from the lender covering this stage of completion reported by Subcontractor and material and labor releases have been received by Contractor. Any payment made hereunder or advances made by contractor prior to full completion and final acceptance of the work shall not be construed as evidence of acceptance of any of Subcontractors work. Contractor shall have the right to make payments to Subcontractor hereunder by checks payable jointly to subcontractor and his suppliers, or any of them. A 10% retention may be held until thirty (30) days after notice of completion, if such retention is so enumerated. All retention must be billed separately. Job number and subcontract correspondence related to this work:

8. MATERIALS AND LABOR RELEASES. Subcontractor agrees to furnish to Contractor, and Contractor may refuse payment to Subcontractor unless and until Subcontractor furnishes to Contractor, releases of claim of Subcontractor, as well as laborers, material men and subcontractors performing work or furnishing material under this Subcontract, all in a form satisfactory to contractor and it is agreed that no payment hereunder shall be made, except at Contractor's option, unless and until such releases are furnished. Subcontractor shall, immediately upon request of contractor provide in writing a list of names and addresses of all suppliers who will supply Subcontractor for the work covered by this subcontract, Subcontractor shall then have no right to change the said listed suppliers without first obtaining written permission of Contractor. Subcontractor further warrants that the list of suppliers who will supply Subcontractor shall be the only suppliers for Subcontractor for the work covered by this Subcontract.

9. LABOR CONDITIONS. To comply with working conditions, labor agreements and wages paid as established by Contractor and applicable to the work; and if so requested by contractor; to discharge any employee whom Contractor deems objectionable.

10. TAXES. Subcontractor agrees to pay any and all taxes and contributions to Social Security, Unemployment Insurance, Disability Benefits, Old Age Retirement Benefits, Life Pensions and Annuities or other charges which may not or hereafter be imposed by the United States or any State or Local government upon any wages, salary or remuneration paid to persons employed by Subcontractor or otherwise for the work required to be performed hereunder. Subcontractor shall comply with all Federal and State laws on such subjects and all rules and regulations promulgated thereunder and shall maintain suitable forms, books and records, and save the contractor harmless from the payment of any and all such taxes and contributions or penalties. Subcontractor agrees to pay any and all taxes, excises, assessments or other charges levied by any government authority on any of the work to be done hereunder and on equipment, supplies, materials, freight or other matter used in the performance thereof. The contract price stated herein included the payment by subcontractor of any tax under California Sales or Use Tax Law, or any amendments thereto, or any law now existing, or which may hereafter be adopted by Federal, state, Local or other Government authority, taxing the materials, services required or labor furnished, or any other tax levied by reason of the work performed or to be performed hereunder.

11. ADHERENCE TO PLANS AND SPECIFICATIONS. Subcontractor shall make no changes and shall be responsible for any deviation from the plans and specifications that he may make, and may be required, at his own cost and expense, to cause any of his work to conform strictly to the plans and specifications, unless a written authorization of Contractor executed in accordance with Paragraph 48, addressed to subcontractor, shall be given setting forth specifically in detail what changes may be made. Should there be a discrepancy between the plans and specifications and the requirements of the City, County, or State ordinance, the latter shall govern. It is conclusively presumed that Subcontractor is familiar with said requirements or ordinances, and Subcontractor agrees that Contractor shall have no liability for failure of the plans and specifications to conform thereto. It is agreed that any change or correction required by City, County, or State authorities, shall be made by subcontractor without additional charge, unless otherwise specifically agreed upon by Contractor in writing.

12. SHOP DRAWINGS. To submit to contractor for its approval, copies of all shop drawings that contractor or Owner or architect may deem necessary for the performance of the work and make such corrections in said shop drawings without delay. Approval of such drawings shall be general and shall not relieve Subcontractor from responsibility for proper measurements and fitting and construction of the work.

13. INDEPENDENT INVESTIGATION. The Subcontractor has made an independent investigation of the jobsite, the soil conditions under the jobsite, and all other conditions which might affect the progress of the work, and has satisfied himself as to those which may be done by the Subcontractor in order to overcome unanticipated conditions. Any information which may have been furnished to the Subcontractor by the Contractor about underground conditions or other job condition is for the convenience of the subcontractor only, and the contractor does not warrant that the conditions are as thus indicated. The subcontractor has satisfied himself as to all job conditions, including underground conditions, and has not relied on Information furnished by the Contractor.

14. LINES, GRADES AND MEASUREMENTS. Subcontractor assumes full responsibility for the accuracy of all lines levels and measurements and their relation to bench mark, property lines, reference lines and work of contractor or other subcontractors in cases where dimensions are governed by conditions already established, the responsibility for correct knowledge of conditions shall rest entirely on Subcontractor. No variation from specified lines or grades or dimensions shall be made except on written authority of Contractor. All work shall be made to conform to actual, final conditions as they develop in the course of construction.

15. RELATED WORK. By commencement of work hereunder, Subcontractor acknowledges that all related work adjacent of dependent work services utilities, or materials are acceptable to him and waives any and all claims for damages or extras with respect to defects or failure thereof.

16. INTERRUPTION OF WORK. If as a result of fire, earthquake, act of God, War, Strikes, Picketing, Boycott, Lockouts or other causes or conditions beyond the control of Contractor. Contractor shall consider if it is advisable to proceed with the work hereunder, the Subcontractor shall upon receipt of written notice from contractor, immediately discontinue any further work hereunder until such time as Contractor may deem it advisable to resume the work. Subcontractor will resume the work hereunder promptly upon receiving written notice from Contractor to do so, and Subcontractor shall not be entitled to any damages or compensation on account of cessation of work as a result of any of the causes mentioned above.

17. CORRECTION OF DEFECTS IN MATERIAL OR WORK. All defects in material used or work performed under this subcontract as designated by City or County Inspectors or Contractor upon inspection and brought to the attention of Owner and the designating person, shall be repaired without cost to contractor.

18. DAMAGE TO WORK. Should Subcontractor damage the work or installation of contractor or any other Subcontractor, Subcontractor shall promptly pay to Contractor or such other subcontractor, as the case may be, all cost incurred in repairing the damage. Subcontractor and his suppliers shall not be permitted to drive any vehicle over any curb or sidewalk on the project at any time by any means. Subcontractor shall take all action necessary to insure that suppliers do not do so and shall be fully responsible for all damage to curbs and sidewalks caused by his vehicles and those of his suppliers., All damage to Subcontractor's work prior to full completion and final acceptance of the project as a whole, regardless of who caused such damage or how it occurred, shall be promptly repaired or replaced by Subcontractor at his own cost and expense.

19. DEFECTS AND WORKMANSHIP. Subcontractor will hold contractor harmless from any and all damages caused by defective workmanship or materials, and delays caused thereby, and will pay and reimburse contractor for any and all such damages. Should any dispute arise as to Subcontractor's workmanship or the quality of materials furnished, the decision of contractor reasonably made and arrived at shall be binding.

20. GUARANTEE. Subcontractor agrees to hold contractor harmless from and against any claims made by any third party or parties at any time as to defective workmanship or materials employed by subcontractor in performing its work hereunder. In addition, Subcontractor specifically guarantees contractor and future owners of the project, or any portions thereof, against any loss or damage arising from any loss or damage arising from any defect in materials and workmanship furnished under this subcontract for a period of one (1) year from the date of completion of the work and final acceptance of the project as a whole. Upon notification of defects from Contractor or any such owner, subcontractor shall proceed within twenty-four (24) hours with due diligence, at his own expense, to replace any defective material or perform any labor necessary to correct any defect in the work and upon failure of Subcontractor so to do, Contractor or affected owner may furnish or secure, at Subcontractor's expense, such materials or labor as are necessary to bring the work up to the required standard, all costs thus incurred thereupon becoming a debt immediately due and payable by Subcontractor.

21. DISPUTES. If any disputes should arise between the parties as to the work to be done or payments to be made under this Subcontract, the Subcontract shall nevertheless proceed to perform the subcontract if directed by Contractor pending settlement of dispute.

22. FAILURE TO PERFORM. Upon notification from Contractor in writing that Subcontractors performance of this Subcontract in any respect is unsatisfactory, or that Subcontractor has failed to comply fully with the terms of this Subcontract, or that subcontractor's work needs correction or has been damaged, subcontractor shall promptly take all action necessary to fully comply with terms of this subcontract, and the requirements of Contractor. Should Subcontractor fail to do so within twenty-four (24) hours after notification in writing, contractor may terminate this Subcontract. In the event of termination, Subcontractor hereby authorizes Contractor to perform and complete the work covered by this Subcontract, and in connection therewith, Contractor may (1) eject Subcontract; (2) take possession of all materials appliances, tools and equipment already on the site, as well as all materials in the course of preparation, wherever located, and all rights under Subcontracts or Subcontractor; (3) go into the open market and secure materials and employ men necessary to complete the work contracted for by Subcontractor hereunder. Subcontractor shall not be entitled to receive any further payment until completion of entire project and then only after direct and indirect cost incurred by Contractor to complete Subcontractor's work, plus a reasonable allowance for profit for Contractor, have been determined. The direct and indirect cost and allowance for profit shall apply against the contract price specified herein, and, if in excess shall be debt immediately due and owing from Subcontractor to Contractor. If the balance of the Contract price shall exceed Contractor's direct and indirect cost, plus a reasonable allowance for profit, as above provided; such excess shall be paid to Subcontractor at time of completion of the entire project. The guarantees of Subcontractor shall remain in force for all work and materials furnished by subcontractor prior to the termination of this Subcontract pursuant to this paragraph.

23. CLAIMS FOR DELAY OR DAMAGES. Subcontractor expressly waives any and all rights to make claim or be entitled to receive any compensation or damage for failure of contractor or other Subcontractors to have related portions of the work completed in time for the work of this Subcontractor to proceed.

24. INSURANCE. At all times to carry on all operations hereunder Workmen's Compensation and Employer's Liability Insurance covering all of its employees. Contractors Public Liability and Property Damage Insurance and Automotive Public Liability and Property Damage Insurance, in companies either an insurance company rating 'A' or better satisfactory to contractor with Owner and General Contractor also named as additional Insured. Such Liability Insurance shall have minimum limits of not less than \$1,000,000.00 bodily injury to any one person and \$1,000,000.00 to any one occurrence and such Property damage Insurance shall have limits of not less than \$1,000,000.00 and shall include liability for injuries and damage, blanket contractual liability and completed operations liability also to include minimum of \$2,000,000.00 aggregate coverage. A separate endorsement will be issued naming Owner and General Contractor as "Additional Named Insured" as respects for all operations performed under this contract. The Contractor shall be furnished with certificate from the insurance companies that such insurance is in force and will not be canceled without 30 days written notice to Contractor. Certificate to show contractual liability insurance on the agreement between the Subcontractor and Owner. The insurance shall provide that the policy not be canceled or reduced in coverage until ten (10) days after written notice shall have been given to Contractor of Cancellation or reduction in coverage. Subcontractor shall deliver to the Contractor certificates from the insurers showing that insurance as above required is in effect and giving the expiration dates of all policies.

25. RIGHT TO DEMAND BOND. The contractor may, at any time after this contract is signed, require the subcontractor to furnish a faithful performance and labor and material bond in an amount to be designated by Contractor but not exceeding the probably ultimate cost of the work to be performed by Subcontractor under this agreement, and the Contractor will pay the premium on any such bond directly to the bonding company. If Subcontractor fails to deliver the bond within seven (7) days after demand such failure shall be deemed a material breach of the Subcontract and contractor may terminate the Subcontract and take such steps as are authorized in the event of termination in Paragraph 21 of this Subcontract.

26. INDEMNIFICATION. Subcontractor shall indemnify and save contractor and general contractor harmless against all claims for damages to persons or to property arising out of Subcontractor's execution of the work covered by this subcontract and any and all costs, expenses, attorney's fees and liability incurred by judgment or not. Contractor and general contractor shall be upon the distinct understanding that subcontractor uses the equipment, rigging blocking, hoist or scaffolding at his own risk and takes the same "as is" and Subcontractor assumes all responsibility for and agrees to hold Contractor and general contractor harmless from any claims or damages whatsoever resulting from the use thereof, whether such damage result to Subcontractor or his own employees or property or to other persons or the employees of properties of other persons.

27. SAFE PLACE TO WORK. The Subcontractor agrees to provide his employees with safe appliance and equipment, to provide them with safe place to work, to perform the work under this contract in a safe manner with high regard for the safety of his employees and others, and to comply with the safety provisions of the Labor Code published in the Federal register of April 17, 1971 (36-FR 733 9-7410) and State of California Assembly Bill 150 (Cal/Osha) enacted into law.



28. **CONTRACTORS.** Contractors are required by law to be licensed and regulated by the contractor's State License Board. Any questions concerning the responsibilities of Contractor may be referred to the registrar of the board whose address is:  
Contractor's State License Board  
1020 "N" Street  
Sacramento, CA. 95814

29. **NOTICE OF HAZARDOUS MATERIALS.** All Subcontractors will hereby exhibit every and all precautionary safety standard typical to the construction industry and consistent with those of the Subcontractor's particular trade. Subcontractor shall perform work in a manner that will maintain a safe and hazardless work place pursuant to reasonable and generally accepted industry standards. All Subcontractors' employees and or his Subcontractors are responsible to conform to general safety practices including those of Cal-Osha and existing Health and Safety Codes. All Subcontractors will also hereby provide clear and reasonable warning prior to exposing employees and/or Subcontractors to chemicals known to cause cancer or reproductive toxicity.

30. **CLEAN-UP AND STORAGE.** Subcontractor shall maintain to the satisfaction of contractor, all work sites in a clean, neat and safe condition, and shall comply promptly with any instructions from contractor all of Subcontractor's rubbish, debris, materials, tools and equipment, and if the Subcontractor fails to do so promptly Contractor may remove the same to any place of storage, or any dumping ground, at Subcontractor's risk and expense and damage or theft. All storage and removal costs thus incurred by Contractor shall be promptly reimbursed by Subcontractor to Contractor or shall be deducted from any payment or balance due Subcontractor hereunder.

31. **USABLE EXCESS MATERIALS.** Subcontractor shall move, as the work covered by this Subcontract is completed, from the site thereof to the site or sites of the next work to be completed by Subcontractor, all usable excess materials, particularly materials supplied by Contractor. No materials supplied contractor shall be considered usable unless Contractor advises Subcontractor in writing. All excess costs suffered by contractor by reason of Subcontractor's failure to use such usable materials in succeeding work shall be charged against and paid for by Subcontractor and may be deducted from any payment or balance due Subcontractor hereunder.

32. **USE OF CONTRACTOR'S EQUIPMENT.** The use of any of Contractor's equipment, rigging, blocking, hoist or scaffolding by subcontractor, given, loaned or rented to subcontractor by contractor shall be upon the distinct understanding that Subcontractor uses the equipment, rigging, blocking, hoist or scaffolding at his own risk and takes it "as is" and Subcontractor assumes damages whatsoever resulting from the use thereof whether such damage result to Subcontractor or his employees or property or to other persons or the employees or properties of other persons.

33. **PERMITS AND LAWS.** Subcontractor shall promptly obtain, at his expense, and before commencing any of the work covered by this Subcontract all permits and licenses required for the work. Subcontractor shall comply with all laws, ordinances, rules, regulations, orders and requirements of the City, County, State and Federal Government, and of any Board or Commission or any other duly qualified body having jurisdiction which shall or might affect or apply to the work. Subcontractor shall exhibit each such permit or license to contractor upon its request.

34. **ASSIGNMENT.** Subcontractor shall neither assign or Subcontract the whole or any portion of this Subcontract the payments hereunder first obtaining permission in writing from Contractor, and then only subject to and upon the same terms and conditions of, the provisions of this Subcontract. Any such Subcontract shall contain all the provisions of this Subcontract and shall require the Subcontractor thereunder to be directly liable to Contractor in all respects as herein required of this Subcontractor. Any such Subcontract shall be submitted to contractor for its prior approval and shall not be binding upon Contractor until so approved. No assignment shall relieve Subcontractor from his duties, obligations and liabilities hereunder, unless specifically relieved in writing by Contractor.

35. **LIENS.** Subcontractor shall pay all claims for labor or materials incurred by him in the performance of this subcontract. If any stop notice, lien of mechanics or material men or attachments, garnishments or suits affecting title to real property are filed against the project, or any portion thereof, as herein described in Paragraph "A", Subcontractor shall within ten (10) days after written demand to him by Contractor, cause the effect of such stop notice, lien attachment, or suit to be removed from the project, or any portion thereof, and in the event Subcontractor shall fail so to do, Contractor is hereby authorized to use whatever means it may deem best to cause the stop notice, lien, attachment or suit, together with its effect upon the title, to be removed, discharged, satisfied, compromised or dismissed, and the cost thereof, including reasonable attorney's fees incurred by contractor, shall become immediately due from subcontractor to contractor. Subcontractor may be necessary to cause the lending agency not to withhold moneys by reason of such stop notice, liens, attachments, or suits.

36. **INSOLVENCY OR BANKRUPTCY.** In the event subcontractor becomes insolvent, is unable to pay his current obligations, or commits any act of bankruptcy, this subcontract may be terminated at the option of Contractor. Subcontractor hereby authorized all financial institutions, material men and individuals to disclose to contractor Subcontractor's financial status, credit and manner of meeting obligation.



37. AVAILABILITY OF SUPPLIES AND MATERIALS. At any time upon written demand of contractor, subcontractor agrees to immediately procure all materials and supplies required to be supplied by subcontractor pursuant to this subcontract as set forth in the scope of work to be performed by Subcontract and to deliver to contractor written proof of said confirmed orders or physically prove, to the satisfaction of contractor, that Subcontractor has available in his possession all said necessary materials and supplies. The said materials and supplies shall be set aside for the work called for hereunder so as to insure that Subcontractor will be able to deliver and perform its obligation under this Subcontract at the time called for. If Subcontractor has failed to obtain said necessary materials and supplies within seven (7) days of the written demand contractor may purchase the materials and supplies and deduct the purchase and storage costs from any amounts due hereunder to Subcontractor.

38. TIME OF ESSENCE AND WAIVER. All time limits in this Subcontract are of the essence to this subcontract. A waiver by Contractor of any breach of any one of the terms or conditions herein contained shall not be construed as a waiver of any subsequent breach. Any consent by Contractor to the delay in the performance of the subcontractor of any obligations to be performed by Subcontractor shall be applicable only to the particular transaction to which it relates, and it shall not be applicable to any other obligation or transaction. Delay in the enforcement of any remedy by Contractor in the event of a breach of any term or condition hereof, or the exercise by contractor of any right hereunder, should not be construed as a waiver.

39. CONFLICT OF LAW. The laws of the State of California shall govern the interpretation, validity and construction of the terms and conditions of this subcontract.

40. SEVER ABILITY. Should any of the provisions of this subcontract prove to be invalid or otherwise ineffective, the other provisions of this subcontract shall remain in full force and effect.

41. PLACE OF EXECUTION. Execution of this Subcontract is acknowledged to be at the contractor's principal place of business as specified on page one.

42. HEIRS AND ASSIGNS. This subcontract shall insure to the benefit of, and be binding on, the heirs, executors, administrators and successors of the respective parties hereto.

43. NOTICES. Any notices or statement required or desired to be given under this Subcontract shall be personally served or sent by United States mail to the address, until notice of different address be given, as set forth on the first page of this Subcontract. Notices not personally served shall be deemed given upon deposit in the United States mail properly addressed and with postage prepaid.

44. STORAGE FACILITIES. If the Contractor or his nominee provides any storage facilities for subcontractor or his suppliers, neither the contractor nor its nominee shall bear any responsibility for any loss or damage arising for any cause whatever relating thereto.

45. SUPERVISION. Subcontractor shall at all times maintain a qualified and skilled superintendent or foreman at the site of work who shall be satisfactory to the contractor, and such superintendent or foreman shall be duly and legally authorized to represent and act for the Subcontractor with respect to all matters in connection with or arising out of the work under this agreement. Supervisory personnel or Subcontractor shall not be changed without written approval of contractor and Subcontractors will change supervisors upon request of Contractor.

46. ATTORNEY'S FEES. In the event of a breach or violation of the terms and conditions of any of them of this agreement, as a result of which either party files suit in any court against the other, then the prevailing party shall be awarded reasonable attorneys' fees to be fixed by the court in addition to the court costs in said action or proceeding.

47. ENTIRE AGREEMENT. This agreement contains all covenants, stipulations and provisions agreed upon by the parties and supersede any previous verbal or written communication between the parties. No agent of either party has the authority to make, and the parties shall not be bound by nor liable for any statement, representation, promise or agreement not set forth herein.

48. AUTHORIZED AGENT. For purposes of written change orders as referred above the Contractor's authorization person(s) shall be Carl Gowan.

49. EXHIBITS. Attached hereto are made a part hereof.

50. LIQUIDATED DAMAGES. If the Subcontractor neglects, refuses, or fails to complete the work within the specified time the Subcontractor shall be liable to contractor. Damages shall be equal to listed damages in contract between contractor and owner of work.

IN WITNESS WHEREOF, The parties have executed this Subcontract the day and year herein above written.

**Subcontractor**  
**Workplace Substance Abuse Program Plan (WSAPP) Certification**  
**(For subcontracts with no Testing Designated Positions)**

Subcontractor will include the requirements of 10 CFR 707 in any lower tier subcontract with Gowan Construction Co Inc to involve high risk or danger to life, the environment, public health and safety, or involves transportation of hazardous materials to or from a site.

A policy statement similar to the "Drug Free Workplace Policy Statement" listed below will be distributed to all subcontractor employees working under a subcontract for Gowan Construction Co Inc.

**"Drug Free Workplace Policy Statement"**

"Substance abuse creates social, medical, and safety problems potentially affecting every segment of our society. National figures show the cost of workplace substance abuse is high.

- \* 78 percent of adults who use illegal drugs are employed.
- \* Absenteeism is 66 percent higher among drug users than individuals who do not use drugs.
- \* Health benefits utilization is 300 percent higher among drug users than individuals who do not use drugs.
- \* 47 percent of workplace accidents are drug-related.
- \* Disciplinary actions are 90 percent higher among drug users than among individuals who do not use drugs.
- \* Employee turnover is significantly higher among drug users than among individuals who do not use drugs."

(From the Drug-Free Workplace Act of 1998, 15 USC 631)

"Given the pervasiveness of the problem it must be assumed our workplace could be affected. In order to ensure a safe workplace free from the effects of illegal drugs, employees are advised that, as a condition of continuing to work under this subcontract, they must abide by the following:

1. Employees shall not unlawfully manufacture, distribute, dispense, possess, or use illegal drugs in the workplace. Persons violating any of these prohibitions face prompt disciplinary action, up to and including dismissal from employment under the contract. As posted at the gate of site, employees are advised that entrance onto property grants permission for security personnel to search for prohibited items.
2. Employees shall notify management in writing if convicted under a criminal drug statute for a violation occurring on the site no later than 10 calendar days after such conviction.
3. Employees are expected to appear for work fit for duty. Employees determined to be unfit for duty will be removed from the workplace for evaluation and may face disciplinary action up to and including dismissal from employment under the subcontract if drug or alcohol abuse is determined to be a contributing factor.
4. Employees with substance abuse problems are encouraged to seek professional counseling or rehabilitation assistance before company substance abuse rules are violated. Employees violating drug and alcohol prohibitions face prompt disciplinary action, up to and including dismissal from employment under this subcontract. Employees are cautioned that enrolling in counseling or rehabilitation after violating company rules will not shelter the employee from appropriate disciplinary action.

The Above policy statement and other substance abuse prevention information, including the availability of resources for assistance dealing with substance abuse problems, will be initially and periodically reviewed by the subcontractor with all subcontractor supervisors and employees.

The subcontractor will maintain a record of the employees instructed on the above substance abuse statement.

## EEO ATTACHMENT

### NON-DISCRIMINATION IN EMPLOYMENT.

SUBCONTRACTOR shall, at his own expense, conform to the equal employment opportunity policies of the CONTRACTOR, and in addition, shall comply with all equal employment opportunity requirements promulgated by any governmental authority, including, without limitation, the requirements of the Civil Rights Act of 1964, 42 United States Code, Section 1983, Executive Orders 11246, 11375 and 11478, the California Fair Employment Practices Act, the California Plan, any other applicable statute or ordinances, plans or programs, inclusive and all successors and amendments thereto, and all plans programs standards and regulations which have been or shall be promulgated or approved by the parties or agencies which administer said Acts or Orders (hereinafter collectively referred to as EEO laws) SUBCONTRACTOR shall have and exercise full responsibility for compliance hereunder by itself, its agents, employees, materialmen and subcontractors with respect to its portion of the work on the Project; it shall directly receive and respond to defend and be responsible for any citation, order, claim, charge, or criminal or civil actions, arising by reason of the failure of SUBCONTRACTOR is obligated hereunder to indemnify and hold harmless CONTRACTOR. SUBCONTRACTOR shall indemnify loss (including any loss of profits or prospective advantage occasioned by the suspension, cancellation or termination of any contract or CONTRACTOR'S eligibility therefor), damage, costs, claims, awards, judgments, fines, expenses, including litigation expenses, reasonable attorneys fees, claims or liability for harm to persons or property, expenses incurred pursuant to or attendant to any hearing or meeting or any other applicable costs which may be incurred by CONTRACTOR resulting from SUBCONTRACTOR 's failure to fulfill the covenants set forth in this paragraph.

In the event SUBCONTRACTOR fails to comply with any of the aforementioned EEO laws, or any judgment, order or award issued by the Office of Federal Contract Compliance, United States Department of Labor, or any other federal, state or local agency or any court of law, or any other body responsible for the administration and/or enforcement of any EEO laws, within the period specified in any such laws, judgment, order or award, CONTRACTOR may in his discretion exercise the rights and remedies provided him under the terms of the Subcontract, including, but not limited to the rights and remedies provided in Paragraph H Recourse by Contractor.

# Gowan Construction

License #696797 - Class B

## Subcontractor Compliance with Code of Business Ethics

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GOWAN CONSTRUCTION COMPANY, INC., expects the highest degree of ethical business conduct by its employees and the many contractors, consultants and vendors (collectively known as "Working Partners") with whom it interacts on behalf of its clients. GOWAN CONSTRUCTION CO. INC., administers a comprehensive corporate integrity program to ensure that GOWAN CONSTRUCTION CO. INC., employees at all levels perform their duties consistent with the requirements of the *Code of Business Ethics*; other applicable laws, rules, and regulations; and policies of GOWAN CONSTRUCTION CO. INC.

GOWAN CONSTRUCTION CO. INC., encourages and supports a fair, open and honest business relationship with its contractors, consultants and vendors based on quality, service and price. Moreover, GOWAN CONSTRUCTION CO. INC., believes that a "level playing field" in the marketplace can only be achieved through adherence to ethical business practices by all participants involved in the process.

To promote a working relationship with GOWAN CONSTRUCTION CO. INC., based on ethical business practices, contractors, consultants and vendors are expected to:

- furnish all goods, materials and services to GOWAN CONSTRUCTION CO. INC., as contractually required and specified,
- submit complete and accurate reports to GOWAN CONSTRUCTION CO. INC., and its representatives as required,
- not seek, solicit, demand or accept any information, verbal or written, from GOWAN CONSTRUCTION CO. INC., or its representatives that provides an unfair advantage over a competitor,
- not engage in any activity or course of conduct that restricts open and fair competition on GOWAN CONSTRUCTION CO. INC.,-related projects and transactions,
- not engage in any course of conduct with GOWAN CONSTRUCTION CO. INC., employees or its representatives that constitutes a conflict of interest, in fact or in appearance,
- not offer any unlawful gifts or gratuities, or engage in bribery or other criminal activity, and
- report to GOWAN CONSTRUCTION CO. INC., any activity by an employee or contractor, consultant or vendor of GOWAN CONSTRUCTION CO. INC., that is inconsistent with our *Code of Business Ethics*.

### Ethics Programs

GOWAN CONSTRUCTION CO. INC., encourages its contractors, consultants and vendors to advance and support ethical business conduct and practices among their respective directors, officers and employees, preferably through the adoption of corporate ethics awareness training programs and written codes of conduct. In addition to considering technical competence and financial stability, GOWAN CONSTRUCTION CO. INC., will consider the *corporate integrity*



# Gowan Construction

License #696797 - Class B

of all contractors, consultants and vendors prior to the awarding of contracts or issuing of purchase orders.

## Conduct of GOWAN CONSTRUCTION CO. INC., Employees

GOWAN CONSTRUCTION CO. INC., employees are expected to conduct business with contractors, consultants and vendors in a fair, consistent and professional manner.

## No Gifts to GOWAN CONSTRUCTION CO. INC., Employees

Contractors, consultants and vendors should refrain from offering or giving anything of value to GOWAN CONSTRUCTION CO. INC., employees. Our company prohibits any firm or its agents, either doing or seeking to do business with GOWAN CONSTRUCTION CO. INC., from directly or indirectly offering or giving any gift having more than a nominal value to a GOWAN CONSTRUCTION CO. INC., employee under circumstances in which it:

- could be reasonably inferred the gift was intended to influence the employee in the performance of their official duties, or
- could reasonably be expected to influence the employee in the performance of their duties, or
- was intended as a reward for the employee's action.

Because gifts from the GOWAN CONSTRUCTION CO. INC., 's Working Partners can per se be inferred to be intended to influence or reward official action, Working Partners are referred to as "disqualified sources." Additionally, GOWAN CONSTRUCTION CO. INC., has adopted a "Zero Tolerance" policy with respect to the solicitation, acceptance or receipt of gifts from disqualified sources. Therefore, Working Partners should not offer to GOWAN CONSTRUCTION CO. INC., employees gifts of any value. Violations of these gift provisions may be grounds for immediate contract termination.

## Questions

Questions relating to these guidelines should be directed to the responsible GOWAN CONSTRUCTION CO. INC., Project Manager or Program Director. To contact any of these individuals please call (209)836-2482.

When in doubt, please seek guidance.

## Compliance Certification

I have read the foregoing and agree to comply with GOWAN CONSTRUCTION CO. INC.'s Code of Business Ethics. I further acknowledge that failure to comply shall justify contract termination by GOWAN CONSTRUCTION CO. INC., and may result in the rejection of bids or proposals for future work with GOWAN CONSTRUCTION CO. INC.

# HAMANAKA PAINTING CO., INC

P.O. BOX 6413  
EUREKA, CA 95502  
PHONE (707) 444-3340  
Fax (707) 444-3346  
[glenn@hamanakapainting.com](mailto:glenn@hamanakapainting.com)  
[hamanakapainting.com](http://hamanakapainting.com)

## PROPOSAL AND CONTRACT

October 4, 2017

### Proposal Submitted To:

Gowan PGE ~~Point Arena~~ EXT Painting  
**UKIAH**

### Work To Be Performed At:

Ukiah, CA

We hereby propose to perform the labor and the materials necessary for the completion of: See attached scope  
All material is guaranteed to be as specified and the above work to be performed in accordance with the drawings and specifications submitted for the above work and completed in a substantial workman-like manner for the sum of: 59,646.19 with payments made as follows: \_\_\_\_\_

Any alteration or deviation from the above stated specifications involving extra costs will be executed only upon written orders and will become an extra charge over and above the estimate. All agreements are contingent upon strikes, accidents or delays beyond our control e.g., weather. Public liability insurance and workman's compensation insurance on work stated above are to be taken out by our insurance company.

### "NOTICE TO OWNER"

(Section 7018.5 Contractor's License Law)

Under the Mechanics' Lien Law, any contractor, subcontractor, laborer, material man or other persons who helps improve the property and is not paid for his labor, services, or materials has the right to enforce his claim against your property. Under the law, you may protect yourself against such claims by filing, before the commencement of such work or improvement, an original contract for the work of improvement or a modification thereof, in the office of the County Recorder of the county where the property is situated and requiring that a contractor payment bond be recorded in such office. Said bond shall be in the amount not less than fifty percent (50%) of the contract.

Respectfully Submitted:

Glenn Hamanaka

Glenn Hamanaka, President

Per: Hamanaka Painting Co. License #667475

Note - This proposal may be withdrawn if not accepted within 30 days.

### ACCEPTANCE OF PROPOSAL

The above prices, specifications and conditions are satisfactory and hereby accepted. You are authorized to do work as specified.

DATE: \_\_\_\_\_

SIGNATURE: \_\_\_\_\_

Contractors are required by law to be licensed and regulated by the Contractor's State License Board.  
Any questions concerning a contractor may be referred to the Registrar, Contractor's State License Board,  
and PO Box 26000, Sacramento, CA 95827

Initial: \_\_\_\_\_

All other surfaces or items not specifically mentioned above  
All exterior waterproof caulking.  
All work specified to be finished or painted in other sections  
All touch up of our finished surfaces due to damage by others  
All protection of our surfaces from trade damage  
All lead abatement & hazardous material handling  
All temporary heat & lighting  
All repairs or patching due to moisture or building heat loss  
All weather protection  
All disposal of wastewater  
All Covered dock area

Initial: \_\_\_\_\_

**CLARIFICATIONS:**

**PREVAILING WAGE? YES CA Mendocino 2017-1**

Includes travel

All water capture

We understand all landscaping will be cut back away from the house by others prior to starting the project. In the event the landscaping is not cut back to allow at least 3ft. Working space, any time required to tie back plants will be considered additional work for which the customer must approve prior to proceeding with the project.

We understand the customer/contractor will provide color selections at least 15 days before the project begins. In the event the first color selections are changed in color value, tint, tone or shade, the expense for preparing additional color samples will be considered additional service and will be handled in the form of a change order prior to proceeding with color submittal process. At no time will we be held accountable for schedule performance due to delays in color selections and approval process.

We understand all surface are to be in paint ready condition when contractor / customer give notice to proceed. In the event any items are installed after paint has been applied, and the installed items require paint, these items will be considered additional work and will be handled as a change order item accordingly prior to proceeding with painting work.

If Hamanaka Painting Co., Inc is used as a Sub-Contractor and there is a sub-contract agreement, the statement below must be inserted under the Scope of Work.

HAMANAKA PAINTING CO., INC's Scope of Work which includes a list of Exclusions which includes a list of Exclusions and Clarifications all of which are attached hereto and made a part of hereof. In the event of conflict between this Scope of Work and the Contract Documents, the terms of the Scope of Work attachment shall prevail

Initial: \_\_\_\_\_

**Gowan PGE Point Arena EXT Painting  
Painting Scope of Work**

Painting work will be done furnishing labor and materials for the project noted above following standards as set forth by the PDCA (Painting and Decorating Contractors of America) and the AIA (American Institute of Architects) as follows:

Surface / Work Item	Coats	Notes
Ext. Powerwash	1	Coats of the specified material.
Ext. Preparation SSPC SP3 & 2	1	Coats of the specified material.
Ext. Metal Siding	3	Coats of the specified material.
Ext. Metal Door	3	Coats of the specified material.
Ext. CMU	3	Coats of the specified material.
Ext. Soffit/Overhang	2	Coats of the specified material.
Ext. Metal/Wood Trim	3	Coats of the specified material.
Ext. Metal Corrugated Siding	3	Coats of the specified material.

**Gowan PGE Point Arena EXT Painting  
Specific Exclusions**

**EXCLUDED ITEMS:**

We understand the following items are to receive no painting work:

- All floor surfaces and related floor mounted items
- All concrete or other masonry surfaces
- All electrical and mechanical items and related hardware
- All vents, grills, louvers and related surfaces
- All acoustic ceiling surfaces and related hardware



## **EXHIBIT 13**

# CALIFORNIA PRELIMINARY 20-DAY NOTICE

(For use on Private and Public Works)

See Civil Code Section 3097 & 3098

**CONSTRUCTION LENDER** or  
Reputed Construction Lender, if any

(name)

(address)

(city) (state) (zip code)

**OWNER** or **PUBLIC AGENCY**  
or Reputed Owner (private work) or (public work)

**PG&E**  
(name)

**2641 N State Street**  
(address)

**Ukiah** **CA** **95482**  
(city) (state) (zip code)

**ORIGINAL CONTRACTOR** or  
Reputed Contractor, if any

**Gowan Construction**  
(name)

**15 West 8th Street Suite C**  
(address)

**Tracy** **CA** **95376**  
(city) (state) (zip code)

## NOTICE TO PROPERTY OWNER

If bills are not paid in full for the labor, services, equipment, or materials furnished or to be furnished, a mechanics' lien leading to the loss, through court foreclosure proceedings, of all or part of your property being so improved may be placed against the property even though you have paid your contractor in full. You may wish to protect yourself against this consequence by (1) requiring your contractor to furnish a signed release by the person or firm giving you this notice before making payment to your contractor, or (2) any other method or device that is appropriate under the circumstances.

OTHER THAN RESIDENTIAL HOMEOWNERS OF DWELLINGS CONTAINING FEWER THAN FIVE UNITS, PRIVATE PROJECT OWNERS MUST NOTIFY THE ORIGINAL CONTRACTOR AND ANY LIEN CLAIMANT WHO HAS PROVIDED THE OWNER WITH A PRELIMINARY 20-DAY LIEN NOTICE IN ACCORDANCE WITH SECTION 3097 OF THE CIVIL CODE THAT A NOTICE OF COMPLETION OR NOTICE OF CESSATION HAS BEEN RECORDED WITHIN 10 DAYS OF ITS RECORDATION. NOTICE SHALL BE BY REGISTERED MAIL, CERTIFIED MAIL, OR FIRST-CLASS MAIL. EVIDENCED BY A CERTIFICATE OF MAILING. FAILURE TO NOTIFY WILL EXTEND THE DEADLINES TO RECORD A LIEN.

**YOU ARE HEREBY NOTIFIED THAT ...**

**Hamanaka Painting Co., Inc**

(name of person or firm furnishing labor, services, equipment or material)

(address of person or firm furnishing labor, services, equipment or material)

**P.O. Box 6413 Eureka, CA 95502**

has furnished or will furnish labor, services, equipment or materials of the following general description:

**Exterior painting on warehouse**

(general description of the labor, services, equipment or material furnished or to be furnished)

for the building, structure or other work of improvement located at:

**2641 N State Street Ukiah, CA 95482**

(address or description of job site sufficient for identification)

The name of the person or firm who contracted for the purchase of such labor, services, equipment or material is:

**Gowan Construction**

**15 West 8th Street Suite C Tracy, Ca 95376**

An estimate of the total price of the labor, services, equipment or materials furnished or to be furnished is:

\$ **59,646.19**

Trust Funds to which Supplemental Fringe Benefits are Payable or Laborers Due Compensation for the Project.

(Material suppliers not required to furnish)

(name) (address)

(name) (address)

(name) (address)

Dated: **04/27/2018**

Signature

Telephone Number ( 707 ) **4443340**

PROOF OF SERVICE AFFIDAVIT

I, Glenn Hamanaka, declare that I served copies of the above Preliminary Notice (check appropriate box):

(a) ☐ By personally delivering copies to each of the parties, addresses and dates as follows:


Construction Lender: (name) \_\_\_\_\_ (address) \_\_\_\_\_ (date) \_\_\_\_\_

Owner or Public Entity: (name) PGE (address) 2641 N State Street Ukiah, CA 95482 (date) 04/27/2018

Original Contractor: (name) \_\_\_\_\_ (address) \_\_\_\_\_ (date) \_\_\_\_\_

(b) ☐ By First Class Registered/Certified Mail, postage prepaid, addressed to each of the parties listed on Page 1, on 04/27, 2018.

I declare under penalty of perjury, that the foregoing is true and correct. Executed on 04/27/2018, at Eureka, California.

  
(Signature of person making service)

EX-100 (Rev. 7/2001)

## **EXHIBIT 14**



CONFORMED COPY

Copy of Document Recorded on  
01/23/2019 02:32:45 PM  
as 2019-01011  
Mendocino County Clerk-Recorder

RECORDING REQUESTED BY:  
Hamanaka Painting Co., Inc.

AND WHEN RECORDED MAIL TO:  
Hamanaka Painting Co., Inc.

PO Box 6413  
Eureka, CA 95502

SPACE ABOVE THIS LINE FOR RECORDER'S USE -

## MECHANICS LIEN

The undersigned claimant, Hamanaka Painting Co., Inc., PO Box 6413, Eureka, CA 95502, claims a lien for labor, services, equipment, and/or materials under California Civil Code Section 8416 et seq., upon the premises hereinafter described, and upon every estate or interest in such structures, improvements and premises held by any party holding any estate therein.

The labor, services, equipment, and/or materials, were furnished for the construction of those buildings, improvements, or structures, now upon that certain parcel of land situated in the County of Mendocino, State of California, said land described as follows: 2641 North State Street, Ukiah, CA.

The sum of \$3,330.00 together with interest thereon at the rate of 10.00 percent per annum from May 8, 2018, is due claimant (after deducting all just credits and offsets) for the following work and/or material furnished by claimant: Painting the exterior of the service building.

Claimant furnished the work and/or materials at the request of, or under contract with: Gowan Construction Co., Inc., 15 West 8th Street, #C, Tracy, CA 95376.

The owner(s) or reputed owner(s) of the property are: Pacific Gas and Electric Company, 77 Beale Street, 32nd Floor, San Francisco, CA 94105.

**COPY**

Firm Name: Hamanaka Painting Co., Inc.

By:   
Naomi Samuela / Authorized Agent

### VERIFICATION

I, the undersigned, say: I am the Authorized Agent of the claimant of the foregoing mechanics lien: I have read said claim of mechanics lien and know the contents thereof: the same is true of my own knowledge. I declare under penalty of perjury that the foregoing is true and correct.

Executed on January 22, 2019, at San Diego, California.

Firm Name: Hamanaka Painting Co., Inc.

  
Naomi Samuela / Authorized Agent

**PROOF OF SERVICE AFFIDAVIT  
DECLARATION OF SERVICE BY MAIL**  
California Civil Code Section 8416 (a)(7) & (c)(1)

I, Naomi Samuela, as Lien Preparer, declare that we, Construction Notice Services, Inc., served copies of this Mechanics Lien and Notice of Mechanics Lien on 2641 North State Street, Ukiah, CA by first class certified mail, postage prepaid, on January 22, 2019, at the San Diego/Mira Mesa California Post Office.

Copies of this Mechanics Lien and Notice of Mechanics Lien were mailed to the Property Owner(s) or Reputed Owner(s), Pacific Gas and Electric Company, 77 Beale Street, 32nd Floor, San Francisco, CA 94105.

I declare, under penalty of perjury, that the foregoing is true and correct. Executed on January 22, 2019, at San Diego, California.

Firm Name: Hamanaka Painting Co., Inc.



Naomi Samuela / Authorized Agent  
(68866)

**NOTICE OF MECHANICS LIEN  
ATTENTION!**

Upon the recording of the enclosed MECHANICS LIEN with the county recorder's office of the county where the property is located, your property is subject to the filing of a legal action seeking a court-ordered foreclosure sale of the real property on which the lien has been recorded. The legal action must be filed with the court no later than 90 days after the date the mechanic's lien is recorded.

The party identified in the mechanics lien may have provided labor or materials for improvements to your property and may not have been paid for these items. You are receiving this notice because it is a required step in filing a mechanics lien foreclosure action against your property. The foreclosure action will seek a sale of your property in order to pay for unpaid labor, materials, or improvements provided to your property. This may affect your ability to borrow against, refinance, or sell the property until the mechanics lien is released.

BECAUSE THE LIEN AFFECTS YOUR PROPERTY, YOU MAY WISH TO SPEAK WITH YOUR CONTRACTOR IMMEDIATELY, OR CONTACT AN ATTORNEY, OR FOR MORE INFORMATION ON MECHANICS LIENS GO TO THE CONTRACTORS' STATE LICENSE BOARD WEB SITE AT [www.cslb.ca.gov](http://www.cslb.ca.gov).

## **EXHIBIT 15**

# HAMANAKA PAINTING CO., INC

P.O. BOX 6413  
EUREKA, CA 95502  
PHONE (707) 444-3340  
Fax (707) 444-3346  
[glenn@hamanakapainting.com](mailto:glenn@hamanakapainting.com)  
[hamanakapainting.com](http://hamanakapainting.com)

## PROPOSAL AND CONTRACT

February 20, 2018

### Proposal Submitted To:

Gowan - Eureka Service Center Floors

### Work To Be Performed At:

2475 Myrtle Ave, Eureka, CA 95501

We hereby propose to perform the labor and the materials necessary for the completion of: See attached scope  
All material is guaranteed to be as specified and the above work to be performed in accordance with the drawings and specifications submitted for the above work and completed in a substantial workman-like manner for the sum of: 8,679.00 with payments made as follows: \_\_\_\_\_

Any alteration or deviation from the above stated specifications involving extra costs will be executed only upon written orders and will become an extra charge over and above the estimate. All agreements are contingent upon strikes, accidents or delays beyond our control e.g., weather. Public liability insurance and workman's compensation insurance on work stated above are to be taken out by our insurance company.

### "NOTICE TO OWNER"

#### (Section 7018.5 Contractor's License Law)

Under the Mechanics' Lien Law, any contractor, subcontractor, laborer, material man or other persons who helps improve the property and is not paid for his labor, services, or materials has the right to enforce his claim against your property. Under the law, you may protect yourself against such claims by filing, before the commencement of such work or improvement, an original contract for the work of improvement or a modification thereof, in the office of the County Recorder of the county where the property is situated and requiring that a contractor payment bond be recorded in such office. Said bond shall be in the amount not less than fifty percent (50%) of the contract.

Respectfully Submitted:

GLENN HAMANAKA

Glenn Hamanaka, President

Per: Hamanaka Painting Co. License #667475

Note – This proposal may be withdrawn if not accepted within 30 days.

### ACCEPTANCE OF PROPOSAL

The above prices, specifications and conditions are satisfactory and hereby accepted. You are authorized to do work as specified.

DATE: \_\_\_\_\_

SIGNATURE: \_\_\_\_\_

Contractors are required by law to be licensed and regulated by the Contractor's State License Board.  
Any questions concerning a contractor may be referred to the Registrar, Contractor's State License Board,  
and PO Box 26000, Sacramento, CA 95827

Initial: \_\_\_\_\_



**Gowan-PGE-Eueka SC Bathroom Remodel**  
Painting Scope of Work

Painting work will be done furnishing labor and materials for the project noted above following standards as set forth by the PDCA (Painting and Decorating Contractors of America) and the AIA (American Institute of Architects) as follows:

Surface / Work Item	Coats	Notes
Int. Preparation	1	Coats of the specified material.
Int. Ceilings	3	Coats of the specified material.
Int. Walls	3	Coats of the specified material.
Int. Doors & Frames	3	Coats of the specified material.
Int. Partial walls	2	Coats of the specified material.
Ext. Patchwork	3	Coats of the specified material.

**Gowan-PGE-Eueka SC Bathroom Remodel**  
Specific Exclusions

**EXCLUDED ITEMS:**

We understand the following items are to receive no painting work:

All floor surfaces and related floor mounted items  
All concrete or other masonry surfaces  
All electrical and mechanical items and related hardware  
All vents, grills, louvers and related surfaces  
All acoustic ceiling surfaces and related hardware

All other surfaces or items not specifically mentioned above  
All exterior waterproof caulking.  
All work specified to be finished or painted in other sections  
All touch up of our finished surfaces due to damage by others  
All protection of our surfaces from trade damage  
All lead abatement & hazardous material handling  
All temporary heat & lighting  
All repairs or patching due to moisture or building heat loss  
All weather protection

Initial: \_\_\_\_\_

CLARIFICATIONS:

PREVAILING WAGE? YES HUM2017-2

We understand all landscaping will be cut back away from the house by others prior to starting the project. In the event the landscaping is not cut back to allow at least 3ft. Working space, any time required to tie back plants will be considered additional work for which the customer must approve prior to proceeding with the project.

We understand the customer/contractor will provide color selections at least 15 days before the project begins. In the event the first color selections are changed in color value, tint, tone or shade, the expense for preparing additional color samples will be considered additional service and will be handled in the form of a change order prior to proceeding with color submittal process. At no time will we be held accountable for schedule performance due to delays in color selections and approval process.

We understand all surface are to be in paint ready condition when contractor / customer give notice to proceed. In the event any items are installed after paint has been applied, and the installed items require paint, these items will be considered additional work and will be handled as a change order item accordingly prior to proceeding with painting work.

If Hamanaka Painting Co.,Inc is used as a Sub-Contractor and there is a sub-contract agreement, the statement below must be inserted under the Scope of Work.

HAMANAKA PAINTING CO.,INC's Scope of Work which includes a list of Exclusions which includes a list of Exclusions and Clarifications all of which are attached hereto and made a part of hereof. In the event of conflict between this Scope of Work and the Contract Documents, the terms of the Scope of Work attachment Shall prevail

Initial: \_\_\_\_\_

## **EXHIBIT 16**

**2019-001345**

Recorded - Official Records  
Humboldt County, California  
Kelly E. Sanders, Recorder  
Recorded by: CONSTRUCTION NOTICE SERVICES

Pages: 2

Recording Fee: \$ 91.00  
Tax Fee: \$0  
Clerk: se Total: \$91.00  
Jan 24, 2019 at 02:21:59



RECORDING REQUESTED BY:  
Hamanaka Painting Co., Inc.

AND WHEN RECORDED MAIL TO:  
Hamanaka Painting Co., Inc.

PO Box 6413  
Eureka, CA 95502

SPACE ABOVE THIS LINE FOR RECORDER'S USE -

## MECHANICS LIEN

The undersigned claimant, Hamanaka Painting Co., Inc., PO Box 6413, Eureka, CA 95502, claims a lien for labor, services, equipment, and/or materials under California Civil Code Section 8416 et seq., upon the premises hereinafter described, and upon every estate or interest in such structures, improvements and premises held by any party holding any estate therein.

The labor, services, equipment, and/or materials, were furnished for the construction of those buildings, improvements, or structures, now upon that certain parcel of land situated in the County of Humboldt, State of California, said land described as follows: 2455 Myrtle Avenue, Eureka, CA.

The sum of \$1,934.29 together with interest thereon at the rate of 10.00 percent per annum from November 14, 2018, is due claimant (after deducting all just credits and offsets) for the following work and/or material furnished by claimant: Striping and painting doors.

Claimant furnished the work and/or materials at the request of, or under contract with: Gowan Construction Co., Inc., 15 West 8th Street, #C, Tracy, CA 95376.

The owner(s) or reputed owner(s) of the property are: Pacific Gas and Electric Company, 77 Beale Street, 32nd Floor, San Francisco, CA 94105.

Firm Name: Hamanaka Painting Co., Inc.

By:

Naomi Samuela / Authorized Agent

### VERIFICATION

I, the undersigned, say: I am the Authorized Agent of the claimant of the foregoing mechanics lien: I have read said claim of mechanics lien and know the contents thereof: the same is true of my own knowledge. I declare under penalty of perjury that the foregoing is true and correct.

Executed on January 23, 2019, at San Diego, California.

Firm Name: Hamanaka Painting Co., Inc.

Naomi Samuela / Authorized Agent

**PROOF OF SERVICE AFFIDAVIT  
DECLARATION OF SERVICE BY MAIL**  
California Civil Code Section 8416 (a)(7) & (c)(1)

I, Naomi Samuela, as Lien Preparer, declare that we, Construction Notice Services, Inc., served copies of this Mechanics Lien and Notice of Mechanics Lien on 2455 Myrtle Avenue, Eureka, CA by first class certified mail, postage prepaid, on January 23, 2019, at the San Diego/Mira Mesa California Post Office.

Copies of this Mechanics Lien and Notice of Mechanics Lien were mailed to the Property Owner(s) or Reputed Owner(s), Pacific Gas and Electric Company, 77 Beale Street, 32nd Floor, San Francisco, CA 94105.

I declare, under penalty of perjury, that the foregoing is true and correct. Executed on January 23, 2019, at San Diego, California.

Firm Name: Hamanaka Painting Co., Inc.



Naomi Samuela / Authorized Agent  
(68876)

**NOTICE OF MECHANICS LIEN  
ATTENTION!**

Upon the recording of the enclosed **MECHANICS LIEN** with the county recorder's office of the county where the property is located, your property is subject to the filing of a legal action seeking a court-ordered foreclosure sale of the real property on which the lien has been recorded. The legal action must be filed with the court no later than 90 days after the date the mechanic's lien is recorded.

The party identified in the mechanics lien may have provided labor or materials for improvements to your property and may not have been paid for these items. You are receiving this notice because it is a required step in filing a mechanics lien foreclosure action against your property. The foreclosure action will seek a sale of your property in order to pay for unpaid labor, materials, or improvements provided to your property. This may affect your ability to borrow against, refinance, or sell the property until the mechanics lien is released.

**BECAUSE THE LIEN AFFECTS YOUR PROPERTY, YOU MAY WISH TO SPEAK WITH YOUR CONTRACTOR IMMEDIATELY, OR CONTACT AN ATTORNEY, OR FOR MORE INFORMATION ON MECHANICS LIENS GO TO THE CONTRACTORS' STATE LICENSE BOARD WEB SITE AT [www.cslb.ca.gov](http://www.cslb.ca.gov).**